

Los Angeles restaurants wary of street vending proposal

By Dakota Smith, Los Angeles Daily News

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Like many Los Angeles restaurant owners, Westwood cafe operator David Hekmat isn't happy about the city's new minimum wage law, which hikes pay to \$15 an hour by 2020.

Now, Hekmat is bracing for another city proposal. The owner of Mary and Robbs Westwood Cafe is worried a plan to legalize street vending will hurt brick-and-mortar restaurants.

"The city is becoming unfriendly to businesses," Hekmat said.

Already bruised from losing a high-profile fight over the city's minimum wage, Los Angeles restaurants are girding for a City Hall battle over street vending.

Opponents say legalizing street vending would be a double whammy for mom-and-pop cafes and other restaurants, which are already scrambling to adjust to the new minimum wage law.

The Coalition to Save Small Business, made up of more than 1,000 stores, restaurants and business groups, is speaking out against the plan, which could allow vendors to legally operate across the city. The Los Angeles City Council is expected to consider the proposal later this year.

Street vendors siphon off business from surrounding stores, but restaurants are particularly vulnerable, said Carol Schatz, head of the downtown business group Central City Association, which helped form the coalition.

"You're paying rent, you're paying taxes," Schatz said. "Vendors, even with a permit fee, there's no way that compares to opening a businesses and keeping it going."

While street vending is illegal in Los Angeles, an estimated 50,000 people work from carts and stands in neighborhoods such as Van Nuys, Pico-Union and Boyle Heights. Some vendors hawk hot dogs or churros, while other sellers set up elaborate kitchens on outside tables.

Seeking to regulate the industry, City Hall officials are considering new rules to grant the vendors' licenses.

Supporters contend legalization would be an economic boon for the city, pulling in \$43 million annually in state and local tax revenue. Legalization could also mean protections for the vendors, who face exploitation and threats from gangs.

Restaurant owners waged a similar battle against food trucks about five years ago, arguing they were losing customers to the unregulated trucks.

Jennifer Fuentes, who runs Salvadoran restaurant El Chero in San Pedro, is already trying to determine if the upcoming minimum wage hike means she'll have to cut back her workers' hours.

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She's also concerned that street vendors will hawk pupusas outside her cafe.

"It's stressful," she said. "We're definitely worried when it comes to the minimum wage law, and we'd be even more worried if they pass the street vending law."

Many businesses oppose the new minimum wage law, but restaurant owners argue they'll be the most

affected because of the number of low-wage workers employed in the industry. Restaurants also fought unsuccessfully to have waiters' tips counted toward the new minimum wage.

On a recent Saturday, customers flocked around vendor Alex Pablo's downtown cart, pressing cash into his hand for pork sandwiches and \$1 Cokes. The vendor pointed to two nearby pubs, a symbol of downtown's ongoing gentrification.

"We're not really competing with them," Pablo said. "Our customers don't want to spend \$15 or \$20 on lunch."

Los Angeles City Councilman Gil Cedillo, whose district includes MacArthur Park, a popular neighborhood for vendors, reiterated his support for the vending proposal and the minimum wage law.

"Both of these initiatives are meant to treat workers and entrepreneurs with the dignity and respect that they deserve," Cedillo said in a statement. "Both measures have the potential to increase economic activity, by creating a legal form for individuals to earn a living with street vending, and by increasing consumer buying power."

ABOUT THE AUTHOR

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